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**UNITED STATES BANKRUPTCY COURT
 EASTERN DISTRICT OF NEW YORK**

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In re:	:	Case No. 09-50723 (ESS)
	:	
20 Bayard Views, LLC	:	Chapter 11
	:	
Debtor.	:	
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AFFIDAVIT OF MARTIN EHRENFELD IN SUPPORT OF DEBTOR'S MOTION FOR AN INTERIM ORDER (I) AUTHORIZING DEBTOR TO USE CASH COLLATERAL; (II) DETERMINING ADEQUATE PROTECTION IN CONNECTION WITH INTERIM AUTHORIZATION; AND (III) SCHEDULING FINAL HEARING ON USE OF CASH COLLATERAL

**TO: THE HONORABLE ELIZABETH S. STONG
 UNITED STATES BANKRUPTCY JUDGE**

Martin Ehrenfeld, duly sworn deposes and states as follows:

1. I am the Restructuring Officer of 20 Bayard Views, LLC ("**BV LLC**" or "**Debtor**"), the debtor-in-possession in the above captioned Chapter 11 case. I make this certification upon my personal knowledge, and in support of the Debtor's motion for an interim order (i) authorizing Debtor to use cash collateral of W Financial Fund, LLP ("**WFF**"); (ii) determining adequate protection in connection with interim authorization; and (iii) scheduling a final hearing on use of cash collateral.

WFF Loan Documents

2. Attached hereto as **Exhibit A** is a copy of the Agreement of Consolidation, Extension and Modification of Mortgage dated October 14, 2008 (the "**WFF Mortgage**"), which consolidated: (i) the mortgage and note in favor of WFF dated October 14, 2008 in the amount of \$100,000.00; and (ii) the remaining balance on a pre-existing mortgage and note in favor of a prior lender for \$17,300,000.00. The Debtor's debt obligation to WFF is set forth in the Consolidated, Amended and Restated Note dated October 14, 2008 in the principal amount of \$17,400,000.00 (the "**Note**"), which is annexed hereto as **Exhibit B**. Collectively, the WFF Mortgage and Note shall be referred to as the "**WFF Loan**".

3. Concurrent with the execution of the WFF Mortgage on October 14, 2008, the Debtor entered into an assignment of leases and rents (the "**Lease Rent Agreement**"), which was expressly "made for the purpose of securing" the WFF Loan. A copy of the Lease Rent Agreement is annexed as **Exhibit C**.

4. The original maturity date of the WFF Loan was October 13, 2009, with options to extend for two (2) 6-month time periods.

5. On or about October 13, 2009, the Debtor and WFF executed a loan extension agreement which extended the maturity date of the WFF Loan to January 13, 2010 (the "**Extension Agreement**"). Annexed hereto as **Exhibit D** is a copy of the Extension Agreement.

WFF's Debt, Collateral & Oversecured Status

6. As of the bankruptcy filing date (December 4, 2009), the principal amount outstanding WFF was \$16,975,072.00 (the "**WFF Debt**"). Annexed hereto as **Exhibit E** is a copy of the statement issued by WFF to the Debtor, dated December 1, 2009 (the "**WFF 12/1/09 Statement**"). At the time of the bankruptcy filing, WFF had not declared any defaults under the WFF Loan.

7. The collateral securing the WFF Loan is the Debtor's 37 condominium units and 40 parking spaces located at the Bayard Condominium Complex (20 Bayard Avenue, Brooklyn, New York), along with the related rental stream and leases (collectively, the "**Collateral**"). Attached hereto as **Exhibit F** is a chart listing the Debtor's 37 condominium units, along with the number of rooms and square footage in the respective units. Attached hereto as **Exhibit G** is a schedule of the 40 parking lot spaces.

8. Attached as **Exhibit H** is the valuation report prepared by Leitner Group, Inc. ("**LGI**") at the request of WFF (the "**WFF Appraisal**"). The WFF Appraisal was completed in early October 2008 and had valuations dated as of September 24, 2008, thus, it was after the general economic decline caused by the Lehman Brothers bankruptcy case which filed in mid-September 2008. The WFF Appraisal appraised the Collateral prior to the sale of condominium unit 3C in February 2009 for \$456,000.00. The WFF Appraisal provided valuations based upon four (4) different valuation methods and the chart below describes the valuation method and LGI's valuation amounts:

METHOD	VALUATION
As is Value as a Rental Building (dated 9/24/08)	\$24,400,000
Value Upon Stabilization of Rental Building (dated 4/1/09)	\$23,800,000
Net Sellout Value As Is Market Value (dated 9/24/08)	\$31,600,000
Bulk Sellout (dated 9/24/08)	\$28,400,000

9. The average of these valuations is \$27,050,000.00.

10. Additionally, the total of the release prices that WFF listed in the WFF Mortgage was \$27,642,756.00, which supports that WFF is oversecured. Attached as **Exhibit I** is the Release Prices Schedule which was contained in the WFF Mortgage. The sale price obtained for unit 3C further

supports this conclusion because unit 3C had a release price of \$380,075.00 and sold in February 2009 for \$456,000.00.

11. There are approximately \$146,000.00 worth of mechanic's liens that were filed outside the preference period (the "**Mechanic Lien Claims**"). Annexed hereto as **Exhibit J** is a chart listing the creditors which hold the Mechanic Lien Claims. While these Mechanic Lien Claims may decrease the Collateral's equity cushion, there remains a substantial equity cushion even when WFF's Debt is combined with the Mechanic Lien Claims.

Use of Cash Collateral

12. As reflected by the schedule annexed hereto as **Exhibit K**, rental income from the Collateral averages \$130,000.00 a month. The amount of income the Debtor generates postpetition will remain consistent with its prepetition income.

13. The prepetition Debtor paid a monthly management fee to the building manager, JBM Estates LLC, of \$2,650.00. The Debtor was also required to pay monthly common charges to Bayard Views Condominium Association (the "**Condo Association**") of approximately \$32,000.00. These ordinary course expenses will remain the same postpetition. These expenses benefit WFF because they preserve the value of the Collateral, including ensuring the continuation of the rent payments from the tenants.

14. In addition to the maintenance costs for the Collateral, the Debtor will seek to use the cash collateral to pay the costs of administering this case, including professional fees. The Debtor wants to minimize the administration costs by proposing a Chapter 11 plan in the near term and obtaining confirmation of a reorganization plan within 120 days of the bankruptcy filing.

Dated: December 9, 2009

/s/Martin Ehrenfeld

Martin Ehrenfeld

Sworn before this 9th day of December 2009

/s/ Michelle D. Rudich

Notary Public

Notary Public, State of New York

No.: 01RU6143861

Commission Expires 4/17/2010